

James Accounting & Tax Practice, P.A.

Lawrence Academy Elementary School

Comprehensive Annual Financial Report

Year Ended June 30, 2009

LAWRENCE ACADEMY ELEMENTARY SCHOOL
 (A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2009
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Report of Independent Auditor

To The Board of Directors
Lawrence Academy Elementary School, Inc
777 W. Palm Drive
Florida City, FL 33177

I have audited the accompanying government-wide and fund financial statements of Lawrence Academy Elementary School (a department of Lawrence Academy Inc. and a component unit of Miami-Dade County School District) as listed in the table of contents as of June 30, 2009 and for the year then ended in accordance with generally accepted accounting principles. These statements are the responsibility of management; my responsibility is to express an opinion on these statements based on the audit.

I conducted the audit in accordance with generally accepted auditing standards in the United States of America, and Government Auditing Standards issued by the Comptroller General of the United States of America, as they relate to financial audits. These standards require that we plan and perform the audit to obtain reasonable assurance about whether these statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, and examining the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements mentioned in the first paragraph, present fairly, in all material respects, the financial position of Lawrence Academy Elementary School as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated August 26, 2009, on our consideration of Lawrence Academy Elementary School's internal control over financial reporting, and our test of its compliance with certain provisions of laws, regulation, contracts and grants. The report on internal control is an integral part of the audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the budget comparison are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board and the Auditor general of the State of Florida. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Verna James
Certified Public Accountant

August 26, 2009

Lawrence Academy Elementary School

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

Management's Discussion and Analysis

June 30, 2009

Analysis of Financial Statements

Government-Wide Financial Statements

At year's end Lawrence Academy Elementary School had a sound financial position with assets exceeding liabilities by \$73,353 as shown in the comparative statement of net assets below.

Statement of Net Assets

ASSETS	June 30, 2009
	\$
CURRENT ASSETS:	
Cash	<u>5,135</u>
TOTAL CURRENT ASSETS	<u>5,135</u>
PROPERTY AND EQUIPMENT:	
Furniture, Fixtures, and Equipment (Note 4)	82,877
Accumulated Depreciation	<u>(12,711)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>70,166</u>
Total Assets	<u>75,301</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Due to Lawrence Academy Middle School	
TOTAL CURRENT LIABILITIES	<u>1,948</u>
	<u>1,948</u>
NET ASSETS:	
Invested in capital assets	
Unrestricted (Note 2)	70,166
TOTAL NET ASSETS	<u>3,187</u>
	<u>73,353</u>
Total Liabilities and Net Assets	<u>75,301</u>

Lawrence Academy Elementary School

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

Management's Discussion and Analysis

June 30, 2009

Fund Financial Statements

At year's end Lawrence Academy Elementary School's general fund had a balance \$3,187. This is the amount that is available for near term expenditures. The difference between the fund balance and the net assets is the amount invested in fixed assets.

General Fund Budget Analysis

As a result of budget cuts, general revenues were less than budgeted, and expenditures were adjusted accordingly. Other variations between budgeted and actual expenditure, were due to restrictions of the various programs.

	Annual Budget	Actual
	\$	\$
REVENUES		
General Revenues	283,800	259,637
Program Revenues	215,500	197,065
Charges for Services	<u>-</u>	<u>5,932</u>
Total Revenues	499,300	462,535
EXPENSES		
Instruction	162,266	178,700
General Administration	67,871	45,919
School Administration	108,943	56,898
Facilities Acquisition and Construction	42,320	43,548
Fiscal Services	24,965	29,816
Food Services	5,328	7,036
Pupil Transportation Services	16,486	3,328
Operation of Plant	6,213	10,155
Maintenance of Plant	2,400	1,170
Furniture Fixtures and Equipment	<u>50,000</u>	<u>82,877</u>
Total Expenses	486,792	459,447
CHANGE IN NET ASSETS	12,508	3,187
FUND BALANCE AT THE START OF THE YEAR	<u>-</u>	<u>-</u>
FUND BALANCE AT THE END OF YEAR	<u>12,508</u>	<u>3,187</u>

Lawrence Academy Elementary School Inc

(A Department of Lawrence Academy Inc. And a Component Unit of Miami Dade School District)

Statement of Net Assets

June 30, 2009

REVENUES	\$
General Revenues	259,637
Program Revenues	197,065
Charges for Services	<u>5,932</u>
Total Revenue	462,634
EXPENSES	
Instruction	187,295
General Administration	45,919
School Administration	56,898
Facilities Acquisition and Construction	47,664
Fiscal Services	29,816
Food Services	7,036
Pupil Transportation Services	3,328
Operation of Plant	10,155
Maintenance of Plant	<u>1,170</u>
Total Expenses	<u>389,281</u>
CHANGE IN NET ASSETS	73,353
NET ASSET AT THE BEGINNING OF YEAR	<u>-</u>
NET ASSETS AT THE END OF YEAR	<u>73,353</u>

The notes on pages 14-18 are an integral part of these financial statements.

Lawrence Academy Elementary School

(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)

General Fund Balance Sheet

Year Ended June 30, 2009

ASSETS

\$

CURRENT ASSETS:

Cash and Cash Equivalents 5,135

TOTAL CURRENT ASSETS 5,135

Total Assets 5,135

LIABILITIES AND NET ASSETS

LIABILITIES:

Salaries, Benefits & Payroll Taxes Payable
Due to Lawrence Academy Middle School 1,948

TOTAL CURRENT LIABILITIES 1,948

General fund 3,187

Total Liabilities and fund balances 5,135

Lawrence Academy Elementary School
(A Department of Lawrence Academy Inc. And a Component Unit of Miami Dade School District)
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2009

	\$
	General Fund
General Revenues	259,637
Program Revenues	197,065
Charges for Services	<u>5,932</u>
	462,634
Expenditures	
Instruction	178,700
General Administration	45,919
School Administration	56,898
Facilities Acquisition and Construction	43,548
Fiscal Services	29,816
Food Services	7,036
Pupil Transportation Services	3,328
Operation of Plant	10,155
Maintenance of Plant	1,170
Furniture Fixtures & Equipment	<u>82,877</u>
	459,447
Net Change in fund balance	3,187
Fund balance at beginning of the year	<u>-</u>
Fund balance at the end of the year	<u>3,187</u>

The notes on pages 14-18 are an integral part of these financial statements

Lawrence Academy Elementary School

(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)

Notes to financial statement

Year ended June 30, 2009

NOTE –1 NATURE OF ACTIVITIES:

Lawrence Academy Elementary School, a charter school, is a department of Lawrence Academy Inc., which was incorporated on November 10, 2004 as a not-for-profit under the laws of the state of Florida. The School is recognized as a public school (a component unit) within the District of Miami Dade County, as such, the school is funded on the same basis as the District. Additionally, Florida Statutes Section 1002.33, states that the School Board shall monitor revenues and expenditures of the charter schools. Charter schools are funded from public funds based on enrollment, and can also be eligible for grants in accordance with the state and federal guidelines, including food service and capital outlay. Additionally, all students enrolled in charter schools are included in the District's total enrollment. Charter schools can accept private donations and incur debt in the operation of the school. The school operates under a charter granted by the School Board of Miami-Dade County, Florida (the sponsor). The current charter is affective until June 30, 2018 nd may be renewed for an additional fifteen years by mutual agreement of the parties.

Lawrence Academy, Inc operates two other charter schools at the same location, but each school has separate financial statements which are not incorporated in these basic financial statements. The sponsor may cancel the contract for cause as set out in the contract.

The school may also be financially accountable if an organization is fiscally dependent on the school regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the school are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the school is financially accountable, which would require inclusion in the school's basic financial statement.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits for States and Local Governments and Provisions of the Florida Statutes, the School is presented as a governmental organization for financial reporting purposes.

Government-Wide and Fund Financial Statements

The government-wide financial statements include a statement of net assets and statement of activities. These statements report results for the school as a whole, and cover only government activities as the School does not engage in any business type activities.

The statement of net assets presents the difference between assets and liabilities as net assets, which are divided into three categories: amount invested in capital assets, restricted net assets, and unrestricted net assets. Net assets are reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations by other governments or enabling legislation.

Lawrence Academy Elementary School

(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)

Notes to financial statement

Year ended June 30, 2009

Revenue Recognition

The organization's revenue is derived from local governmental. Grant revenue is recognized based on the amount of grant expenses incurred in accordance with budgeted items provided in the grant contract. Grants awarded for specific purposes other than general operations of the organization are deemed to be earned when the organization has incurred expenses in compliance with specific restrictions.

Post Retirement Benefits

The school provides no post retirement benefits.

Compensated Absences

The school grants ten days for sick and personal leave to full time employees. Employees with unused days at the end of the fiscal year may carry them forward to the following year. The School does not allow employees to take cash in lieu of leave. The financial statements include an accrual for unused sick and vacation leave.

Income Tax

Lawrence Academy Inc., under which the School operates, is a not-for-profit organization exempt from federal income tax under Internal Revenue Code 501 (c) (3). Accordingly, no provision for federal income taxes has been made.

NOTE 3 - RELATED PARTY TRANSACTIONS

The School is a department of Lawrence Academy Inc. (the corporation) and is affiliated with the Lawrence Academy Middle School, and Lawrence Academy Senior High which are also departments of the corporation. The three schools share certain costs as a result of operating out of the same facility. The schools may also advance monies temporarily, to each other. Resulting from such transactions, there remains as of June 30, 2009 amounts due to the affiliate schools as follows:

Lawrence Academy Middle School Elementary School	<u>1,948</u>
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Lawrence Academy Elementary School

(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)

Notes to financial statement

Year ended June 30, 2009

NOTE 6 – CONTINGENCIES:

Grantor Audits

Costs reflected in the accompanying financial statements relating to government funded programs are subject to audit by the Grantor Agency. The possible disallowance by the Grantor of any item charged to the program cannot be determined at this time. No provision has been made in these financial statements for any liability that may result.

NOTE 7 – RISK FINANCING

The school is exposed to risks inherent in operating a school. The school places all risks, less nominal deductibles, with commercial insurance carriers. The management believes that risks are adequately insured, and that any deductibles that may be incurred in the event of a loss, will not materially affect the financial position of the school.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Lawrence Academy Elementary School
(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)
777 W. Palm Drive
Florida City, FL 33177

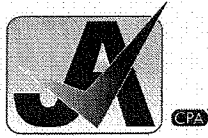
I have audited the basic financial statements of Lawrence Academy Elementary School (the School) as of and for the year ended June 30, 2009 and have issued a report thereon dated August 26, 2009. I conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government auditing standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of Lawrence Academy Elementary School, are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing the audit, I considered internal control over financial reporting in order to determine auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the school's internal control over financial reporting. My consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control reporting that might be considered significant deficiencies or material weaknesses. However as discussed, below, we identified certain deficiencies in internal control over financial reporting considered to be significant deficiencies. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned duties, to prevent or detect misstatements on a timely basis.



James Accounting & Tax Practice, P.A.

10749 SW 104 Street, Miami FL 33176, Tel: 305-595-2886
email: verna@jamesaccounting.com Website: www.jamesaccounting.com

August 26, 2009

Dr. Keitha Burnett
Director
Lawrence Academy Elementary School
751 West Palm Drive
Florida City FL 33034

Dear Dr. Burnett:

I have audited the accompanying government-wide and fund financial statements of Lawrence Academy Elementary School as of June 30, 2009 and for the year then ended, and have issued a report thereon dated August 26, 2009.

I conducted the audit in accordance with generally accepted auditing standards in the United States of America, and Government Auditing Standards issued by the Comptroller General of the United States of America, as they relate to financial audits. In accordance with Government Auditing Standards, I have also issued a report dated August 26, 2009, on our consideration of Lawrence Academy Elementary School's internal control over financial reporting, and our test of its compliance with certain provisions of laws, regulation, contracts and grants. Disclosures in that report, if any, should be read in conjunction with this management letter.

This audit was also conducted in accordance with Section 218.39(4), Florida Statutes, and Rule 10.856(2), which govern the conduct of charter school audits in the state of Florida, and require that certain items be addressed in this letter. Those items are as follows:

1. A statement as to whether corrective actions have been taken to address findings, and recommendations made in the preceding annual financial audit report.

Prior Year Findings and Recommendations

There are no prior year findings as this is the first year of operation.

Lawrence Academy Charter School

"Building Character of Tomorrow's Leaders"

777 West Palm Drive
Florida City, Florida 33034
(305) 247-4800 phone
(305) 247-4895 fax

Sofia Santiesteban
Chairperson

Keitha D. Burnett, Ph.D.
Founder/Director



August 26, 2009

James Accounting & Tax Practice, PA
10749 SW 104th St.
Miami FL 33176

Management's Response to matters described below

3. Any recommendations to improve the school or center's financial

Current Year Findings

Fixed Asset Register

It is recommended that the fixed asset register be organized in the same categories as the general ledger and totaled, so that the amounts can be agreed with the general ledger. The date of purchase should also be included in the register as this helps in identifying individual assets.

Management's Response

This task will be part of the duties of the new Administrative assistant.

Sincerely,



Keitha Burnett

Director

Lawrence Academy Elementary School.

August 26, 2009

In addition to the above, have the following requirements been complied with:

Yes Are two copies of the audit report being submitted as required by Sections 10.807(3) and 10.857(3), Rules of the Auditor General?

Yes Was the audit report submitted within 45 days after the completion of the audit, but no later than 12 months after the end of the fiscal year? NOTE: There are no provisions in the statutes for any extensions for filling the audit report.

This checklist should accompany the audit report. It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact this office if assistance or clarification is needed

regarding reporting requirements. Our address, telephone, and fax numbers are as follows:

Auditor General's Office
Claude Pepper Building, Room 412E
111 West Madison Street
Tallahassee, Florida 32399-1450
Telephone: (850) 487-9039
Suncom: 277-9039
Fax : (850) 414-7488
Fax-Suncom : 994-7488
Contact Person: David Martin

may be required on a case-by-case basis depending on the severity or lack of resolution of the issues noted in the Management Letter.

10. Please enter the following information about the Certified Public Accountant issuing the audit report:

CPA's Name Verna James

CPA' Address 10749 SW 104 ST, Miami FL 33176

License No. AC0032641 Status Current/active

Expiration Date December 31, 2010